

# StudiCafé Business Plan

Lawrence Berkeley National Lab (East Bay) Team: CoffeeBeans & Co.



## Executive Summary

CoffeeBeans & Co. is a startup company located in Albany, California that designs applications like StudiCafé for students to do better on standardized exams. CoffeeBeans & Co.'s premier app, StudiCafé, focuses on helping AP science students find an effective but fun way to study through mobile apps. Our company is currently made up of five members: Elena Pioreschi, Lisa Illes, Wendy Li, Siyao Ma, and Denise Leung.

### **Market**

CoffeeBeans & Co. plans to target three distinct market segments, high school science students, tutoring centers and school districts. In the future, as we expand our market CoffeeBeans & Co. plans to focus on students who pursue higher education.

### **Product**

StudiCafé is an Android app with a virtual world theme that allows students to study for AP environmental science, AP physics, AP chemistry and AP biology. Students will have the option of visiting friends, viewing their statistics, taking test simulations, learning from flashcards, or taking practice multiple choice tests. Students can buy decorations for their personal café with points earned from studying and completing tests. Students will also be able to upgrade their cafés to a five star status and show that they are prepared for their AP exam. Students will also be able visit friends and compete against them for high scores on certain tests.

### **Competitive Edge**

Similar apps exist on the Android app market and paper study guides also offer the same services as StudiCafé. StudiCafé plans to succeed over other products by aggressively advertising on social networking sites and offering an appealing and efficient way to study. StudiCafé's low prices will appeal to high school students, especially low income students, who cannot afford expensive study guides or apps. The product that StudiCafé offers is far superior to the competition. StudiCafé employs game based educational learning in order for students to learn and retain material in the long term and truly learn the material they want to learn without stress and cramming. Constant updates and large databases of study material will also keep customers coming back to learn more and recommending StudiCafé to others through word of mouth.

### **1.1 Mission**

To develop applications as fun study tools that keep students motivated and prepare students for an exam they need to do well on. CoffeeBeans & Co. offers students the chance to succeed without being bored and stressed in the process; we close the achievement gap between low income and wealthy students and produce happy and creative adults as a result.

### **1.2 Keys to Success**

- StudiCafé is an interactive, personalized and efficient way to study. Apps that offer the same services lack the fun spin that StudiCafé has and loses their market appeal as a result.
- Implements strong marketing strategies that focus on targeting the greatest amount of potential customers for the least amount of money

### **1.3 Objectives**

- Increase sales by double in the first three year.

- Achieve 30% and higher market penetration within the first five years.
- Help more than 500,000 students succeed in class and on their exams.

## Company Summary

CoffeeBeans & Co. is a startup organization founded in Albany, California. The company is owned by it group of founders: Elena Prioreschi, Lisa Illés, Wendy Li, Siyao Ma, and Denise Leung.

### **2.1 Start-up Summary**

In order to start-up CoffeeBeans & Co., the following assets and services will need to be provided.

- Legal services for company formation.
- Computer programmers (2) to complete the development of the StudiCafé application and future programs.
- Seven computer workstations. Five will be used for business planning, market strategies and app design, while the remaining three will be used for app programming.
- Promotional materials.
- Money to pay for servers or cloud data storage
- Money to set up an account on the Android market

## Product Description

StudiCafé is designed for high school science students who need to study for their exams. StudiCafé focuses on helping AP science students, students who are currently taking college level classes in high school, prepare for the national AP exam. StudiCafé incorporates a virtual world and game based aspect that helps high school students prepare for their AP exams in a fun and easy way. This app gives you informative flashcards to study with, personalized quizzes for practice and competition among friends to keep you motivated.

StudiCafé emphasizes a virtual world theme with a goal-oriented program to keep students interested. The mobile operating system that StudiCafé operates on also allows students to study on the go and during short periods of free time instead of sitting down for hours at a time. StudiCafé is designed for students to use over any time period with a suggested amount of time of a month. StudiCafé offers time based plans and materials that students can buy based on the amount of time they have remaining. In this way, CoffeeBeans & Co. offers a stress free method that avoids last second cramming among students, a chronic problem in high school. StudiCafé is divided into five components, flashcards, multiple choice practice, test simulations, statistics and visiting other cafés.

Students will be first given the option to choose between either, AP Biology, AP environmental science, AP Physics and AP Chemistry. After choosing the science subject that they are currently studying, students will be introduced to their personal café.

The first component of the application is Flashcards which offers a student flashcards for all subtopics of the science the student is taking. After choosing the subject that he/she wishes to learn about, the student is given several audio visual flashcards that they are able to flip back and forth

between, listen to, or examine the images of before taking a multiple choice exam to check how much they've learned. In this way StudiCafé offers students a way to quickly review the information that they need to know while reaffirming their knowledge through a test in the end.

The second component is Multiple-Choice Practice. As students continue to study, StudiCafé records any incorrectly answered questions subcategory. The next time a student takes a multiple choice test, he/she will have the option of practicing his/her multiple-choice with a focus on the subjects that he/she had the most difficulty on. Through the Multiple-Choice section of StudiCafé, CoffeeBeans & Co. hopes to establish good pedagogy. With a personalized focus on subjects that a student does not understand, students are able to more effectively use their studying time. The multiple choice section of StudiCafé offers questions from released AP exams and other multiple choice questions in AP exam format in order to provide authenticity to studying and prepare the student for the AP exam. If a student incorrectly answers a question, an explanation for the problem would be given at the end to help students make sure they never answer the question wrongly again.

The third component is Test Simulations. Test Simulations offers a realistic AP exam simulation with timed testing and a full-length exam. Students will be given 100 multiple choice questions that they can complete in a 90 minute period. Another 90 minutes will be given to students to answer their free response questions. It is suggested that students take test simulations at home and in a quiet environment in order to get the most out of the experience, however, students are also given the choice to pause the exam and continue taking it later.

The fourth component of the application is Statistics. Statistics gives students feedback on their studying. Students can review the hours of studying they have completed, the number of points that they have earned and the number of stars that their café is rated. Students will be given the option of purchasing items to decorate their cafés with the points they have earned through studying on the Statistics page. The purchased items for a café will help a student increase their café rating and help them reach a five star status. The number of stars a café has will correspond to the predicted AP score a student will receive on their AP exam and keep students motivated as they try to become a five star café.

The fifth component of the application is Visit Other Cafés. Here students can find friends via Facebook or email and look at their personal cafés and statistics. Students will also be able to challenge friends to quizzes and compete for the highest score. Students can also leave messages to friends and play games together in the flashcard section of the app.

Ultimately students are motivated to continue studying in order to buy decorations to improve their cafés and visit friends. The varied resources and methods which students can study with allow us any type of student to find the study method that they are most comfortable with. Varied practice options also emphasize a repetition based learning model that has proven to be the most effective way to help students learn.

## Market Analysis

StudiCafé is targeted towards busy high school students who need an effective way of studying for their exams. CoffeeBeans & Co. tentatively plans to release StudiCafé on the app market in two versions a free version and a paid version. The free version will contain advertisements and limited

study resources while the paid version will be ad-free and have full access to all StudiCafé material. Further add-ons that offer more study material will be offered to students for a price ranging from \$0.25- \$0.99. The needs of our customer market are ever fluctuating and StudiCafé hopes to analyze future financial data to find the most profitable pricing later on.

StudiCafé offers a solution to this problem by focusing on engaging the user, offering realistic study materials and helping students save time and keep motivated while studying. These three areas of concentration were chosen because surveys showed that they were the greatest problems for high school students when it came to studying.

The mobile study guide market is a newly emerging market that has just begun to grow. Few companies have realized the potential of mobile study guides that can effectively aid students in studying. Currently dominating the study guide market are paperback study guides; however, these books are bulky and boring, offering little more than hours of tedious studying for a student. Survey results, conducted among 170 high school science students, have also shown that 43% of students find study books moderately helpful to completely unhelpful. Therefore, a large market exists for students who need more than paper study guides for help.

#### **4.1 Marketing Segmentation**

CoffeeBeans & Co. has identified three market segments for the StudiCafé application.

- **High school science students** will buy the StudiCafé app for personal use as a supplement for studying and realistic preparation tool.
- **Tutoring centers** such as Kaplan Learning Center will use StudiCafé to offer its customers another tool for studying in order to achieve the success in school that it promises.
- **School Districts** can install the StudiCafé app on computers or phones owned by the school in order to provide the best educational resources possible for student success.

#### **4.2 Competition and Buying Patterns**

There are two similar apps located on the Android App market that offer services like StudiCafé. These apps also promise to deliver successful test results and improve a student's knowledge if used; however, they are merely paper study guides converted into a digital file.

- **500 AP Questions-** This application offers 500 AP questions for the price of \$9.99 and includes picture based questions as well as detailed explanations for each answer. However, 500 AP Questions only offers one AP subject for \$9.99 and a limited number of AP questions. StudiCafé offers 4 AP science subjects and constant updates and expansions on available study material for a cheaper price.

- **AP Biology Exam Prep-** This application offers 175 questions for the price of \$3.99. It also offers a statistics page in order for students to keep track of their past study results. However, AP Biology Exam Prep only offers one AP subject and does not include explanations for their answers or add

more study material into the app.

Paper study guides from companies like Barron's are found in a different market outside of StudiCafé's ; however, they still directly compete for sales.

· **Barron's, Princeton Review and Kaplan study guides** are popular study guides used by AP students and normal science students to study and review for their class. These books range from a price of \$16.99 to \$18.99. Study guides are usually 200 pages and longer, making it bulky and impossible to use as a mobile resource.

Features	StudiCafé	500 AP Questions	AP Biology Exam Prep
Less than \$1.00	X		
Offers Test Simulations	X		X
Personalized quizzes	X		
Simple Design	X	X	X
Introduces game based virtual world	X		

## Strategy and Implementation Plan

CoffeeBeans & Co. plans to leverage our competitive edge by combining effective study methods with a social networking theme. Previous competitors offered study solutions that could prove effective, if students were willing to sit down and avoid fun but distracting activities. In order to avoid distraction and keep students motivated, StudiCafé allows them to have fun as they study and to study the material that they most need in the most efficient method.

### **5.1 Competitive Edge**

StudiCafé's most important competitive edge is our ability to allow students to enjoy interacting with friends and having fun while maximizing the beneficial effect of studying for an exam. Our social networking theme is based off of wildly successful games like Farmville and Restaurant City. In modeling our application off of already proven to be "sticky" models, StudiCafé hopes to keep students interested in both studying and using our application. Students will also want to continue using StudiCafé in order to talk to friends and upgrade their cafés. Many apps offer the same AP

exam simulation multiple choice questions as StudiCafé; however, books and apps that are currently available fail to take out problems on subjects that students do not need to study for and give students the opportunity to evaluate their strengths and weaknesses in the science they are taking. By allowing students to personalize their multiple choice tests, StudiCafé saves students time for studying and allow them to focus on what they need help with the most.

## **5.2 Marketing Strategy**

CoffeeBeans & Co.'s marketing strategy is based upon the belief that poor overall awareness leads to few sales for the apps currently available. The prospect of sitting down for hours and studying does not appeal to students and few people would be willing to recommend it to their friends. Therefore CoffeeBeans & Co. plans to use an aggressive marketing strategy in order to raise awareness for the StudiCafé product among our target market, teenage science students. Our social networking theme will also keep students engaged and having fun, an often too lacking factor when it comes to studying.

CoffeeBeans & Co. plans to advertise StudiCafé on social networking sites such as Facebook and Twitter, due to the fact that a large majority of teens are available on social networking sites, and both of these websites have advertising programs, which will work well on low budgets. In addition, we plan on advertising StudiCafé using Google's AdSense program, since this also works well on a low budget.

## **5.3 Sales Strategy**

CoffeeBeans & Co. plans to enforce an aggressive sales campaign focused on appealing to educational centers through conferences and important decision makers in the AP study guide market. By attending and holding conferences focused on education for the sciences, CoffeeBeans & Co. plans to create further awareness for our product and form business deals between colleagues. By keeping in contact with key players in the AP science world, CoffeeBeans & Co. hopes to remain up to date and knowledgeable about the best ways to effectively study for AP exams.

## **5.4 Milestones**

CoffeeBeans & Co. has several milestones it hopes to complete in time.

<b>Event</b>	<b>Date of Completion</b>
Business plan completion	4/25/2012
Beta version completed	August 2012
Organization hiring complete	September 2012
Public release of software	November 2012
Profitability	November 2012 and onwards

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